

 <p>Washington State DEPARTMENT OF SOCIAL &amp; HEALTH SERVICES</p>	<p align="center"><b>PURCHASED SERVICE CONTRACT</b></p> <p align="center"><b>SIGN LANGUAGE INTERPRETER SERVICES</b></p>		DSHS Contract Number:  Resulting From Procurement Number:		
This Contract is between the State of Washington Department of Social and Health Services (DSHS) and the Contractor identified below, and is governed by chapter 43.19 and 43.105 RCW.		Contractor Contract Number:			
CONTRACTOR NAME		CONTRACTOR doing business as (DBA)			
CONTRACTOR ADDRESS		WASHINGTON UNIFORM BUSINESS IDENTIFIER (UBI)	DSHS INDEX NUMBER		
CONTRACTOR CONTACT	CONTRACTOR TELEPHONE	CONTRACTOR FAX	CONTRACTOR E-MAIL ADDRESS		
DSHS ADMINISTRATION	DSHS DIVISION Office of the Deaf and Hard of Hearing	DSHS CONTRACT CODE			
DSHS CONTACT NAME AND TITLE Emily Hill Program Manager		DSHS CONTACT ADDRESS 14th & Jefferson  Olympia, WA 98504-5301			
DSHS CONTACT TELEPHONE (360) 902-0271 Ext:	DSHS CONTACT FAX (360) 902-0855	DSHS CONTACT E-MAIL ADDRESS hillemily@dshs.wa.gov			
IS THE CONTRACTOR A SUBRECIPIENT FOR PURPOSES OF THIS CONTRACT? No		CFDA NUMBERS			
CONTRACT START DATE 7/1/2007	CONTRACT END DATE 6/30/2009	CONTRACT MAXIMUM AMOUNT Fee For Service			
<b>EXHIBITS. The following Exhibits are attached and are incorporated into this Contract by reference:</b> <b>A - Statement of Work; B - DSHS Regional Map; C - Service Area by Region; D - Interpreter Pool Roster; E - Pricing Sheet; F - Sign Language Interpreter Registration; G - Sign Language Interpreter Registration Renewal; H - Request for Sign Language Interpreter; I - Background Authorization; J - Background Check Identification Verification; K - NAD-RID Code of Professional Conduct; L - DSHS Language Interpreter and Translator Code of Professional Conduct; M - Description of Certification Levels; N - Matching Qualified Interpreter with Appointment Setting</b>					
The terms and conditions of this Contract are an integration of and constitute the final, entire and exclusive understanding of the agreement between the parties, superseding and merging all previous agreements, writings, and communications between the parties made prior to or at the signing of this Contract. The parties signing below warrant they have read and understand this Contract, and have authority to enter into this Contract.					
CONTRACTOR SIGNATURE	PRINTED NAME AND TITLE		DATE SIGNED		
DSHS SIGNATURE	PRINTED NAME AND TITLE		DATE SIGNED		

## Special Terms and Conditions

1. **Definitions.** The words and phrases listed below, as used in this Contract, shall each have the following definitions:
  - a. "Contract" means the entire written agreement between DSHS and the Contractor, including any Exhibits, documents, and materials incorporated by reference.
  - b. "Central Contract Services" means the DSHS central headquarters contracting office, or successor section or office and includes the Purchased Services Contracts Section.
  - c. "Contracts Administrator" means the manager, or successor, of DSHS Purchased Services Contracts or successor section or office.
  - d. "Contractor" means the individual or entity performing services pursuant to this Contract and includes the Contractor's owners, members, officers, directors, partners, employees, and/or agents, unless otherwise stated in this Contract. For purposes of any permitted Subcontract, "Contractor" includes any Subcontractor and its owners, members, officers, directors, partners, employees, and/or agents.
  - e. "Debarment" means an action taken by a Federal official to exclude a person or business entity from participating in transactions involving certain federal funds.
  - f. "DSHS" or the "Department" means the State of Washington Department of Social and Health Services and its employees and authorized agents.
  - g. "Personal Information" means information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers.
  - h. "RCW" means the Revised Code of Washington. All references in this Contract to RCW chapters or sections shall include any successor, amended, or replacement statute. Pertinent RCW chapters can be accessed at <http://slc.leg.wa.gov/>.
  - i. "Subcontract" means any separate agreement or contract between the Contractor and an individual or entity ("Subcontractor") to perform all or a portion of the duties and obligations that the Contractor is obligated to perform pursuant to this Contract.
  - j. "Subrecipient" means a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.
  - k. "WAC" means the Washington Administrative Code. All references in this Contract to WAC chapters or sections shall include any successor, amended, or replacement regulation. The WAC can be accessed at <http://slc.leg.wa.gov>
2. **Purpose.** The purpose of this Contract is to provide Sign Language Interpreter services to agencies and/or individuals to allow persons who are deaf, deaf/blind and hard of hearing, functionally equivalent access to quality communication through face to face sign language interpreting/transliterating for clients, citizens and employees of the State of Washington.
3. **General Use.** The resulting contract is for use by all state agencies and members of the Washington State Purchasing Cooperative (WSPC).

While use of this contract by other state agencies or members of the WSPC is optional, the Washington State Office of State Procurement DSHS encourages them to use this state contract. Their use of the contract may significantly increase the purchase volume. Their orders are subject to the same contract terms, conditions and pricing as set forth in this contract. The Washington State Office of State Procurement and the Washington Department of Social and Health Services accepts no responsibility for payment by WSPC or ORCPP members.

4. **Statement of Work.** The Contractor shall provide the services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth in Exhibit A attached hereto and by this reference made a part hereof.
5. **Consideration.** Consideration payable to the Contractor for satisfactory performance of the work under this Contract, including any and all expenses and shall be based on Exhibit E attached hereto and by this reference made a part hereof.
6. **Billing and Payment.**
  - a. **Invoice System.** The Contractor shall submit invoices using State Form A-19 Invoice Voucher, or such other form as designated by DSHS. Consideration for services rendered shall be payable upon receipt of properly completed invoices which shall be submitted to the approved requester by the Contractor not more often than monthly. The invoices shall describe and document to DSHS' satisfaction a description of the work performed, activities accomplished, the progress of the project, and fees. The rates shall be in accordance with those set forth in Section 4, Consideration, of this Contract.
  - b. Payment shall be considered timely if made by DSHS within thirty (30) days after receipt and acceptance of properly completed invoices. Payment shall be sent to the address designated by the Contractor on Page one of this Contract. DSHS, may at its sole discretion, withhold payment claimed by the Contractor for services rendered if Contractor fails to satisfactorily comply with any term or condition of this Contract.
7. **Insurance.**

The Contractor shall at all times comply with the following insurance requirements.

a. **General Liability Insurance**

The Contractor shall maintain Commercial General Liability Insurance, or Business Liability Insurance, including coverage for bodily injury, property damage, and contractual liability, with the following minimum limits: Each Occurrence - \$1,000,000; General Aggregate - \$2,000,000. The policy shall include liability arising out of premises, operations, independent contractors, products-completed operations, personal injury, advertising injury, and liability assumed under an insured contract. The State of Washington, Department of Social & Health Services (DSHS), and elected and appointed officials, agents, and employees of the state, shall be named as additional insureds.

b. **Business Automobile Liability Insurance**

The Contractor shall maintain a Business Automobile Policy on all vehicles used to transport clients, including vehicles hired by the Contractor or owned by the Contractor's employees, volunteers or others, with the following minimum limits: \$1,000,000 per accident combined single limit. The Contractor's carrier shall provide DSHS with a waiver of subrogation or name DSHS as an Additional Insured.

c. **Worker's Compensation**

The Contractor shall comply with all applicable Worker's Compensation, occupational disease, and occupational health and safety laws and regulations. The State of Washington and DSHS shall not be held responsible for claims filed for Worker's Compensation under RCW 51 by the Contractor or its employees under such laws and regulations.

d. Employees and Volunteers

Insurance required of the Contractor under the Contract shall include coverage for the acts and omissions of the Contractor's employees and volunteers. In addition, the Contractor shall ensure that all employees and volunteers who use vehicles to transport clients or deliver services have personal automobile insurance and current driver's licenses.

e. Subcontractors

The Contractor shall ensure that all subcontractors have and maintain insurance with the same types and limits of coverage as required of the Contractor under the Contract.

f. Separation of Insureds

All insurance policies shall include coverage for cross liability and contain a "Separation of Insureds" provision.

g. Insurers

The Contractor shall obtain insurance from insurance companies identified as an admitted insurer/carrier in the State of Washington, with a Best's Reports' rating of B++, Class VII, or better. Surplus Lines insurance companies will have a rating of A-, Class VII, or better.

h. Evidence of Coverage

The Contractor shall submit Certificates of Insurance to the DSHS point of contact located on page one of the contract for each coverage required of the Contractor under the Contract. The Certificate shall identify the DSHS Central Contract Services, P O Box 45811, Olympia, Washington 98504-5811 as Certificate Holder. A duly authorized representative of each insurer, showing compliance with the insurance requirements specified in this Contract, shall execute each Certificate of Insurance. The Contractor is not required to submit to DSHS copies of Certificates of Insurance for personal automobile insurance required of the Contractor's employees and volunteers under the contract. The Contractor shall maintain copies of Certificates of Insurance for each subcontractor as evidence that each subcontractor maintains insurance as required by the Contract.

i. Material Changes

The insurer shall give DSHS Central Contract Services, 45 days advance written notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the insurer shall give DSHS 10 days advance written notice of cancellation.

j. General

By requiring insurance, the State of Washington and DSHS do not represent that the coverage and limits specified will be adequate to protect the Contractor. Such coverage and limits shall not be construed to relieve the Contractor from liability in excess of the required coverage and limits and shall not limit the Contractor's liability under the indemnities and reimbursements granted to the State and DSHS in this Contract. All insurance provided in compliance with this Contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the State.

## **8. Disputes.**

- a. The contractor, DSHS, and or other authorized requestors of services pursuant to this contract agree to attempt in good faith to promptly resolve any dispute, controversy or claim arising out of or relating to contractor service delivery or interpreter performance issues under this Contract through negotiations between designated representatives of the parties. If the dispute cannot be resolved within 30 calendar days of initiating such negotiations, either party may request a dispute hearing review through the dispute resolution procedure provided herein.
- b. The initiating party shall reduce its description of the dispute to writing and shall deliver a copy to the responding party, with a signed original delivered to the DSHS Contact identified in this contract. The responding party shall provide to the initiating party and the DSHS Contact its signed response in writing within three (3) Business Days. The initiating party shall have three (3) Business Days to review the response and shall provide to the responding party and the DSHS contact signed copies of any responsive rebuttal. If after this process a resolution cannot be reached within three (3) Business Days, the initiating party may exercise the right to request a final and binding determination of the dispute by the DSHS Contact person on the basis of the submitted documentation provided to the DSHS Contact.
- c. The parties agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this Contract that are not affected by the dispute.
- d. If the subject of the dispute is the amount due and payable by the Department for Services being provided by the Contractor, the Contractor shall continue providing Services pending resolution of the dispute pursuant to the Payment Dispute Resolution clause of the Statement of Work provided the Agency pays the Contractor the amount the Agency, in good faith, believes is due and payable, and places in escrow the difference between such amount and the amount the Contractor, in good faith, believes is due and payable.

## **9. HIPAA Compliance.**

### **a. Definitions.**

- (1) "Business Associate" means the "Contractor", as used in this Contract and as defined in 45 CFR 160.103, who performs or assists in the performance of an activity for or on behalf of the Covered Entity that involves the use or disclosure of client protected health information (PHI). Any reference to Business Associate in this Contract includes Business Associate's employees, agents, officers, subcontractors, third party contractors, volunteers, or directors.
- (2) "Covered Entity" means DSHS, a Covered Entity as defined in 45 CFR 160.103.
- (3) "Designated Record Set" means a group of records maintained by or for a Covered Entity, that is: the medical and billing records about Individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or used in whole or part by or for the Covered Entity to make decisions about Individuals.
- (4) "Electronic Protected Health Information (EPHI)" means protected health information that is transmitted by electronic media or maintained in any medium described in the definition of electronic media at 45 CFR 162.103.
- (5) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as codified at 42 USCA 1320d-d8.
- (6) "Individual(s)" means the person(s) who is the subject of PHI and includes a person who

qualifies as a personal representative in accordance with 45 CFR 164.502(g).

- (7) "Minimum Necessary" means the least amount of PHI necessary to accomplish the purpose for which the PHI is needed.
  - (8) "Protected Health Information (PHI)" means information created or received by Business Associate from or on behalf of Covered Entity that relates to the provision of health care to an Individual; the past, present, or future physical or mental health or condition of an Individual; or past, present, or future payment for provision of health care to an Individual. 45 CFR 160.103. PHI includes demographic information that identifies the Individual or about which there is reasonable basis to believe can be used to identify the Individual. 45 CFR 160.103. PHI is information transmitted or held in any form or medium. 45 CFR 160.103. PHI does not include education records covered by the Family Educational Rights and Privacy Act, as amended, 20 USCA 1232g(a)(4)(B)(iv).
  - (9) "Use" includes the sharing, employment, application, utilization, examination, analysis, canonization or commingling of PHI with other information.
- b. Compliance. Business Associate shall perform all Contract duties, activities and tasks in compliance with HIPAA and its attendant regulations as promulgated by the U.S. Department of Health and Human Services, the Center for Medicare and Medicaid Services, the Office of the Inspector General, and the Office of Civil Rights.
  - c. Use and Disclosure of PHI. Business Associate is limited to the following permitted and required uses or disclosures of DSHS client PHI:
    - (1) Duty to Protect DSHS Client PHI. Business Associate shall protect PHI from, and shall establish appropriate safeguards to prevent, the unauthorized disclosure of PHI in accordance with the terms and conditions of this Contract and state and federal law, including any regulations governing the security of PHI and the transmission, storage or maintenance of electronic data that contains PHI, for as long as the PHI is within its possession and control, even after the termination or expiration of this Contract.
    - (2) Return of DSHS Client PHI. Business Associate shall, within ten (10) working days of termination or expiration of this Contract, in accordance with Contract Termination and Expiration Procedures, and at the discretion of Covered Entity, either return or destroy all PHI, including PHI in possession of third parties under contract to Business Associate. If return or destruction is infeasible, Business Associate shall protect such PHI and limit its further use and disclosure to those purposes that make return or destruction infeasible for as long as the PHI is within the Business Associate's possession and control, even after the termination or expiration of this Contract.
    - (3) Minimum Necessary Standard. Business Associate shall apply the HIPAA minimum necessary standard to any use or disclosure of DSHS client PHI necessary to achieve the purposes of this Contract. See, 45 CFR 164.514 (d)(2) through (d)(5).
    - (4) Disclosure as Part of the Provision of Services. Business Associate shall only use or disclose DSHS client PHI as required to perform the services specified in this Contract or as required by law, and shall not use or disclose such PHI in any manner inconsistent with the use and disclosure restrictions placed on the Covered Entity by HIPAA.
    - (5) Impermissible Use or Disclosure of DSHS client PHI. Business Associate shall report to DSHS in writing all uses or disclosures of PHI not provided for by this Contract within five (5) working days of becoming aware of the unauthorized use or disclosure of the PHI. Upon request by DSHS, Business Associate shall mitigate, to the extent practicable, any harmful effect resulting from the impermissible use or disclosure.

- (6) Failure to Cure. If DSHS learns of a pattern or practice of the Business Associate that constitutes a violation of the Business Associate's obligations under the terms of this Contract and reasonable steps by DSHS do not end the violation, DSHS shall terminate this Contract. If termination is not feasible, DSHS will report the problem to the Secretary of the federal Department of Health and Human Services (Secretary).
- (7) DSHS Notice of Requests for Disclosure. DSHS will notify Business Associate when DSHS client PHI is requested from DSHS that has been previously provided to Business Associate by DSHS. The parties will jointly determine whether Business Associate has received a duplicate request or if Business Associate has the original or sole copy of the PHI.
- (8) Consent to Audit. Business Associate shall give reasonable access to DSHS client PHI, records, books, documents, electronic data and/or all other business information received from, or created or received by Business Associate on behalf of DSHS, to the Secretary and/or to DSHS for use in determining DSHS' compliance with HIPAA privacy requirements.

d. Individual Rights

(1) Accounting of Disclosures

- (a) Business Associate shall document all disclosures of DSHS client PHI and information related to such disclosures.
  - (b) Within ten (10) working days of a request from DSHS, Business Associate shall make available to DSHS the information in Business Associate's possession that is necessary for DSHS to respond in a timely manner to a request for an accounting of disclosures of DSHS client PHI. See, 45 C.F.R. 164.504 and 164.528.
  - (c) At the request of DSHS, Business Associate shall respond, in a timely manner and in accordance with HIPAA, to requests by Individuals for an accounting of disclosures of PHI.
  - (d) If any Individual asks Business Associate for an accounting of disclosures of DSHS client PHI, or for access to or amendment of PHI in a Designated Record Set, Business Associate shall within ten (10) working days forward the request to DSHS for response.
  - (e) Business Associate's record keeping procedures shall be sufficient to respond to a request for an accounting under this section for the six (6) years prior to the date on which the accounting was requested except for disclosures that occurred prior to the HIPAA compliance date for the Covered Entity.
- (2) Amendment. If DSHS amends, in whole or in part, a record or PHI contained in an Individual's Designated Record Set and DSHS has previously provided the PHI or record that is the subject of the amendment to Business Associate, then DSHS will inform Business Associate of the amendment pursuant to 45 CFR 164.526 (c)(3).

- e. Third Party Agreements. Business Associate shall enter into a written contract, that contains the same terms, restrictions, and conditions as the HIPAA Compliance provision in this Contract, with any agent, subcontractor, independent contractor, or other third party that has access to the DSHS client PHI accessible to Business Associate under the terms of this Contract.

## General Terms and Conditions

### 1. Advance Payment and Billing Limitations.

- a. DSHS shall not make any payments in advance or anticipation of the delivery of services to be provided pursuant to this Contract .
- b. DSHS shall pay the Contractor only for authorized services provided in accordance with this Contract .
- c. DSHS shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were performed.
- d. The Contractor shall not bill and DSHS shall not pay for services performed under this Contract if the Contractor has charged or will charge the state of Washington or any other party for the same services.

### 2. Amendment. This Agreement may only be modified by a written amendment signed by both parties. Only personnel authorized to bind each of the parties may sign an amendment.

### 3. Assignment. The Contractor shall not assign this Contract, its rights or obligations hereunder, without obtaining the prior written consent of DSHS. DSHS shall not recognize any assignment without such prior written consent. In the event that consent is given and this Contract is assigned, all terms and conditions of this Contract shall be binding upon the Contractor's successors and assigns.

### 4. Compliance with Applicable Law. At all times during the term of this Contract, the Contractor shall comply with all applicable federal, state, and local laws and regulations, including but not limited to, nondiscrimination laws and regulations.

### 5. Confidentiality.

- a. The Contractor shall not use, publish, transfer, sell or otherwise disclose any Confidential Information gained by reason of this Contract for any purpose that is not directly connected with Contractor's performance of the services contemplated hereunder, except:
  - (1) as provided by law; or,
  - (2) in the case of Personal Information, with the prior written consent of the person to whom the Personal Information pertains.
- b. The Contractor shall protect and maintain all Confidential Information gained by reason of this Contract against unauthorized use, access, disclosure, modification or loss. This duty requires the Contractor to employ reasonable security measures, which, if applicable, may include restricting access to the Confidential Information by:
  - (1) Encrypting electronic Confidential Information during Transport;
  - (2) Physically Securing and Tracking media containing Confidential Information during Transport;
  - (3) Limiting access to staff that have an authorized business requirement to view the Confidential Information
  - (4) Using access lists, Unique User ID and Hardened Password authentication to protect Confidential Information placed on computer systems;



- (5) Physically Securing any computers, documents or other media containing the Confidential Information; and
- (6) Encrypting all Confidential Information that is stored on portable devices including but not limited to laptop computers and flash memory devices.
- c. Upon request by DSHS or at the end of the Contract term, the Contractor shall return the Confidential Information or certify in writing that the Contractor employed a DSHS approved method to destroy the information. Contractor may obtain information regarding approved destruction methods from the DSHS contact identified on the cover page of this Contract.

In the event of a theft, loss, unauthorized disclosure, or other potential or known compromise of Confidential Information, the Contractor shall notify DSHS within one (1) business day of the discovery of the event. Contractor must also take actions to mitigate the risk of loss and comply with any notification or other requirements imposed by law.

- 6. **Contractor Certification Regarding Ethics.** The Contractor certifies that the Contractor is now, and shall remain in compliance with Chapter 42.52 RCW, Ethics in Public Service, throughout the term of this Contract.
- 7. **Contractor's Proprietary Information.** Contractor acknowledges that DSHS is subject to chapter 42.17 RCW and that this Contract shall be a public record as defined in chapter 42.17 RCW. Any specific information that is claimed by Contractor to be Proprietary Information must be clearly identified as such by Contractor. To the extent consistent with chapter 42.17 RCW, DSHS shall maintain the confidentiality of all such information marked Proprietary Information. If a public disclosure request is made to view Contractor's Proprietary Information, DSHS will notify Contractor of the request and of the date that such records will be released to the requester unless Contractor obtains a court order from a court of competent jurisdiction enjoining that disclosure. If Contractor fails to obtain the court order enjoining disclosure, DSHS will release the requested information on the date specified.
- 8. **Debarment Certification.** The Contractor, by signature to this contract certifies that the Contractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in this Agreement or any Program Agreement by any Federal department or agency. The Contractor also agrees to include the above requirement into any subcontracts entered into, resulting directly from the Contractor's duty to provide services under this Contract.
- 9. **Governing Law and Venue.** This Contract shall be governed by the laws of the state of Washington. In the event of any action brought hereunder, venue shall be proper only in Thurston County, Washington.
- 10. **Health and Safety.** Contractor shall perform any and all of its obligations under this Contract in a manner that does not compromise the health and safety of any DSHS client with whom the Contractor has contact.
- 11. **Indemnification and Hold Harmless.**
  - a. The Contractor shall be responsible for and shall indemnify, defend, and hold DSHS harmless from all claims, loss, liability, damages, or fines arising out of or relating to a) the Contractor's or any Subcontractor's performance or failure to perform this Contract, or b) the acts or omissions of the Contractor or any Subcontractor.
  - b. The Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend, and hold harmless the State and its agencies, officials, agents, or employees.
- 12. **Independent Contractor.** The Contractor is not an officer, employee, or agent of DSHS or the state of Washington. The Contractor shall not claim any rights, privileges, or benefits which would accrue to

an employee of the state of Washington. Contractor is not eligible to participate in DSHS' employee benefit programs, including but not limited to, group insurance, retirement, vacation and other such benefits. Contractor shall be responsible for the payment of its internal administrative costs, including but not limited to, federal, state and social security tax payments. The Contractor shall indemnify and hold DSHS harmless from all obligations to pay or withhold federal or state taxes or contributions on behalf of the Contractor or the Contractor's employees.

13. **Inspection.** During the term of this Contract and for one (1) year following termination or expiration of this Contract, the Contractor shall provide to DSHS reasonable access to the Contractor's place of business, Contractor records, and client records, and to any authorized agent of the state of Washington or the federal government in order to monitor, audit, and evaluate the Contractor's performance and compliance with applicable laws, regulations, and this Contract.
14. **Limitation of Liability.** The following sections apply to the distribution of liability among the parties to this Contract:
- a. The parties agree that neither Contractor nor DSHS shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages except a claim related to bodily injury or death, or a claim or demand based on patent, copyright, or other intellectual property right infringement, in which case liability shall be as set forth elsewhere in this Contract. This section does not modify any sections regarding liquidated damages or any other conditions as are elsewhere agreed to herein between the parties. The damages specified in the sections titled **Termination for Default and Review of Contractor's Records** are not consequential, incidental, indirect, or special damages as that term is used in this section.
  - b. Neither Contractor nor DSHS shall be liable for damages arising from causes beyond the reasonable control and without the fault or negligence of either Contractor or DSHS. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of a governmental body other than DSHS acting in either its sovereign or contractual capacity, war, explosions, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the delays must be beyond the reasonable control and without fault or negligence of Contractor, DSHS, or their respective Subcontractors.
  - c. If delays are caused by a Subcontractor without its fault or negligence, Contractor shall not be liable for damages for such delays, unless the Services to be performed were obtainable on comparable terms from other sources in sufficient time to permit Contractor to meet its required performance schedule.
  - d. Neither party shall be liable for personal injury to the other party or damage to the other party's property except personal injury or damage to property proximately caused by such party's respective fault or negligence.
15. **Maintenance of Records.** During the term of this Contract and for six (6) years following termination or expiration of this Contract, the Contractor shall maintain records sufficient to:
- a. Document performance of all acts required by law, regulation, or this Contract;
  - b. Substantiate the Contractor's statement of its organization's structure, tax status, capabilities, and performance; and
  - c. Demonstrate accounting procedures, practices, and records which sufficiently and properly document the Contractor's invoices to DSHS and all expenditures made by the Contractor to perform as required by this Contract.

16. **Non-Endorsement**

The award of this Contract to the Contractor is not in any way an endorsement of the Contractor, or the Contractor's products or services, by DSHS and shall not be so construed by the Contractor in any advertising, promotion, marketing, publicity, or other such materials. The Contractor shall not use the seal, logo, or word mark of DSHS or subdivisions of DSHS in any advertising, promotion, marketing, publicity, or other such materials.

The Contractor shall submit any intended advertising, promotion, marketing, publicity, or other such materials relating to this Contract and mentioning DSHS, to Central Contract Services, at P.O. Box 45811, Olympia, WA 98501, at least fifteen (15) business days in advance of issuance. DSHS shall not provide any written copy or edit vendor's submitted materials.

Within fifteen (15) days of receipt of such materials, Central Contract Services will notify the Contractor whether the intended advertising, promotion, marketing, or publicity complies with this non-endorsement provision.

- 17. Notice of Overpayment.** If the Contractor receives a Contractor Overpayment Notice or a letter communicating the existence of an overpayment from DSHS, the Contractor may protest the overpayment determination by requesting an adjudicative proceeding. The Contractor's request for an adjudicative proceeding must:

- a. Be *received* by the Office of Financial Recovery (OFR) at Post Office Box 9501, Olympia, Washington 98507-9501, within twenty-eight (28) calendar days of service of the notice;
- b. Be sent by certified mail (return receipt) or other manner that proves OFR received the request;
- c. Include a statement as to why the Contractor thinks the notice is incorrect; and
- d. Include a copy of the overpayment notice.

Timely and complete requests will be scheduled for a formal hearing by the Office of Administrative Hearings. The Contractor may be offered a pre-hearing or alternative dispute resolution conference in an attempt to resolve the overpayment dispute prior to the hearing.

Failure to provide OFR with a written request for a hearing *within 28 days* of service of a Contractor Overpayment Notice or other overpayment letter will result in an overpayment debt against the Contractor. DSHS may charge the Contractor interest and any costs associated with the collection of this overpayment. DSHS may collect an overpayment debt through lien, foreclosure, seizure and sale of the Contractor's real or personal property; order to withhold and deliver; or any other collection action available to DSHS to satisfy the overpayment debt.

- 18. Order of Precedence.** In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- a. Applicable federal and state of Washington statutes and regulations;
- b. Special Terms and Conditions contained in this Contract;
- c. General Terms and Conditions contained in this Contract;
- d. Exhibits, if any, as indicated on page one of this Contract;
- e. The DSHS solicitation documents, if any, associated with this Contract;
- f. Any other material incorporated herein by reference.

- 19. Ownership of Material.** Material created by the Contractor and paid for by DSHS as a part of this

Contract shall be owned by DSHS and shall be "work made for hire" as defined by Title 17 USCA, Section 101. This material includes, but is not limited to: books; computer programs; documents; films; pamphlets; reports; sound reproductions; studies; surveys; tapes; and/or training materials. Material which the Contractor uses to perform the Contract but is not created for or paid for by DSHS is owned by the Contractor and is not "work made for hire"; however, DSHS shall have a perpetual license to use this material for DSHS internal purposes at no charge to DSHS, provided that such license shall be limited to the extent which the Contractor has a right to grant such a license.

- 20. Severability.** The terms and conditions of this Contract are severable. If any term or condition of this Contract is held invalid by any court, such invalidity shall not affect the validity of the other terms and conditions of this Contract.
- 21. Subcontracting.** Except as otherwise provided in this Contract, the Contractor shall not subcontract any of the contracted services without the prior approval of DSHS as reflected in a written amendment to this Contract. Contractor is responsible to ensure that all terms, conditions, assurances and certifications set forth in this Contract are included in any and all subcontracts. Any failure of Contractor or its Subcontractors to perform the obligations of this Contract shall not discharge the Contractor from its obligations hereunder or diminish DSHS' rights or remedies available under this Contract.
- 22. Subrecipients.**
- a. General. If the Contractor is a subrecipient of federal awards as defined by Office of Management and Budget (OMB) Circular A-133 and this Contract, the Contractor shall:
- (1) Maintain records that identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, by Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity;
  - (2) Maintain internal controls that provide reasonable assurance that the Contractor is managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its federal programs;
  - (3) Prepare appropriate financial statements, including a schedule of expenditures of federal awards;
  - (4) Incorporate OMB Circular A-133 audit requirements into all agreements between the Contractor and its Subcontractors who are subrecipients;
  - (5) Comply with any future amendments to OMB Circular A-133 and any successor or replacement Circular or regulation;
  - (6) Comply with the applicable requirements of OMB Circular A-87 and any future amendments to OMB Circular A-87, and any successor or replacement Circular or regulation; and
  - (7) Comply with the Omnibus Crime Control and Safe streets Act of 1968, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, The Age Discrimination Act of 1975, and The Department of Justice Non-Discrimination Regulations, 28 C.F.R. Part 42, Subparts C.D.E. and G, and 28 C.F.R. Part 35 and 39. (Go to [www.ojp.usdoj.gov/ocr](http://www.ojp.usdoj.gov/ocr) for additional information and access to the aforementioned Federal laws and regulations.)
- b. Single Audit Act Compliance. If the Contractor is a subrecipient and expends \$500,000 or more in federal awards from any and/or all sources in any fiscal year, the Contractor shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Contractor shall:

(1) Submit to the DSHS contact person the data collection form and reporting package specified in OMB Circular A-133, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor;

(2) Follow-up and develop corrective action for all audit findings; in accordance with OMB Circular A-133, prepare a "Summary Schedule of Prior Audit Findings."

c. Overpayments. If it is determined by DSHS, or during the course of a required audit, that the Contractor has been paid unallowable costs under this or any Program Agreement, DSHS may require the Contractor to reimburse DSHS in accordance with OMB Circular A-87.

**23. Survivability.** The terms and conditions contained in this Contract that shall survive the expiration or termination of this Contract, include but are not limited to: Confidentiality, Indemnification and Hold Harmless, Inspection, Maintenance of Records, Notice of Overpayment, Ownership of Material, Termination for Default, Termination or Expiration Procedure, Treatment of Property.

**24. Termination Due to Change in Funding.** If the funds DSHS relied upon to establish this Contract are withdrawn or reduced, or if additional or modified conditions are placed on such funding, DSHS may immediately terminate this Contract by providing written notice to the Contractor. The termination shall be effective on the date specified in the termination notice.

**25. Termination for Convenience.** DSHS may terminate this Contract in whole or in part when it is in the best interest of DSHS by giving the Contractor at least thirty (30) calendar days' written notice.

**26. Termination for Default.** The Contracts Administrator may immediately terminate this Contract for default, in whole or in part, by written notice to the Contractor if DSHS has a reasonable basis to believe that the Contractor has:

- a. Failed to meet or maintain any requirement for contracting with DSHS;
- b. Failed to protect the health or safety of any DSHS client pursuant to Section 9, Health and Safety, of this Contract;
- c. Failed to perform under, or otherwise breached, any term or condition of this Contract; and/or
- d. Violated any applicable law or regulation.

If it is later determined that the Contractor was not in default, the termination shall be considered a termination for convenience.

**27. Termination and Expiration Procedure.** The following terms and conditions apply upon Contract termination or expiration:

- a. The Contractor shall cease to perform any services required by this Contract as of the effective date of termination or expiration.
- b. If the Contract is terminated, the Contractor shall comply with all instructions contained in the termination notice.
- c. The Contractor shall immediately deliver to the DSHS contact named on page one of this Contract, or to his or her successor, all DSHS property in the Contractor's possession, including any "works for hire" as described in Section 17, Ownership of Material. The Contractor grants DSHS the right to enter upon the Contractor's premises for the sole purpose of recovering any DSHS property that the Contractor fails to return within ten (10) calendar days of the effective date of termination or expiration of this Contract. Upon failure to return DSHS property within ten (10) calendar days, the Contractor shall be charged with all reasonable costs of recovery, including transportation.

- d. DSHS shall be liable only for payment required under the terms of this Contract for service rendered up to the effective date of termination or expiration.
- e. DSHS may withhold a sum from the final payment to the Contractor that DSHS determines necessary to protect DSHS against loss or additional liability.
- f. The rights and remedies provided to DSHS in this Section are in addition to any other rights and remedies provided at law, in equity, and/or under this Contract, including consequential and incidental damages.

- 28. Treatment of Property.** All property purchased or furnished by DSHS for use by the Contractor during this Contract term shall remain with DSHS. Title to all property purchased or furnished by the Contractor for which the Contractor is entitled to reimbursement by DSHS under this Contract shall pass to and vest in DSHS. The Contractor shall protect, maintain, and insure all DSHS property in its possession against loss or damage and shall return DSHS property to DSHS upon Contract termination or expiration.
- 29. Waiver .** Waiver of any breach or default on any occasion shall not be deemed to be a waiver of any subsequent breach or default and shall not be construed to be a modification of the terms and conditions of this Contract.

**APPROVED AS TO FORM BY THE OFFICE OF THE ATTORNEY GENERAL**